



Indiana Economic Development Corporation

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May 3, 2009

Barbara McNutt
Chief Counsel
Indiana Professional Licensing Agency

Dear Ms. McNutt:

Pursuant to IC 4-22-2-28, The Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small businesses associated with rule changes proposed by the Indiana Professional Licensing Agency ("IPLA") on behalf of the Indiana Board of Accountancy ("Board") and contained in LSA Document 09-151. The proposed rule amends 872 IAC 1-2 to address the rules of professional conduct for licensees by incorporating by reference the June 1, 2008 pronouncements of professional standards of the American Institute of Certified Public Accountants and the June 2003 Rules of Professional Conduct by the National Society of Accountants that become effective September 1, 2009. The Board records show that there are 9,457 certified public accountants (CPA), 89 public accountants (PA), 13 accounting practitioners (AP), and 1,190 accounting firms in the State of Indiana. The proposed rule will impose compliance costs on small businesses that hold the licenses or that employ the people that hold the licenses. Some of the businesses which employ CPAs, PAs, or APs and are affected by this rule are not small businesses and are not included in this estimate. Therefore the exact number is less than 1,190 businesses.

The impact statement provided by IPLA indicates that costs imposed on affected small businesses are necessary changes in order to comply with new national rules referenced above. Some of these costs may include replacing the 2005 edition of the AICPA manual with the 2008 edition of the AICPA manual. Additionally, PAs and APs may have to replace the May 2003 NSA standards manual with the June 2003 standards manual. While the impact statement provided by IPLA did not specify the exact cost of compliance with the rule, the IPLA anticipates that the majority of businesses are already complying with the updated standards. There are no new estimated annual reporting, administrative, or record keeping costs incurred by small businesses associated with this rule.

The IEDC does not object to the economic impact to small business associated with this proposed rule. The proposed rule is to comply with new national standards. Those firms already complying with the new professional standards will not incur any new costs.

If you have any questions about the comments contained herein please contact me at 232-8962 or rasberry@iedc.in.gov.

Regards,

Ryan Asberry
Assistant Vice President